

COUNTY EMPLOYEES' ANNUITY & BENEFIT FUND OF COOK COUNTY
And Ex-Officio for the
FOREST PRESERVE DISTRICT ANNUITY & BENEFIT FUND
MEETING OF THE BOARD OF TRUSTEES
33 N. DEARBORN STREET-STE. 1000
CHICAGO, ILLINOIS 60602

Minutes for September 1, 2011 Meeting of the Board

The County Fund and the Forest Preserve District Fund are herein collectively referred to as the "Fund".

Call to Order and Roll Call.

Trustees Present: Robert Agnes, Clem Balanoff, Robert Benjamin, John Fitzgerald, Constance Kravitz, and Patrick McFadden.

Staff Present: Nickol Hackett, Chief Investment Officer; Angela McMillin, Director of Health Benefits; Michael Maratea Director of Finance; Margaret Fahrenbach, Legal Counsel; Sharon Ryan, Office Manager; Jamie Blitz, Benefits Analyst.

Others Present: Mary Pat Burns, Burke Burns & Pinelli, LTD; Mark Rosenfeld, Office of Commissioner Bridget Gainer; Kevin Dolsen and Ken Brunke, Callan Assoc.; Jill Whiteman and Peter Kavanaugh, Segal Company; Jason Parks, Loop Capital; Sharon Piet Podesta & Company.

1. Review and Consideration of:

a. August 10, 2011 Board Meeting Minutes.

It was moved by Trustee Balanoff and seconded by Trustee Agnes that the minutes of the August 10, 2011, Board Meeting be adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. Bills, Payroll Records, Annuities, Spouse & Child Annuities, Ordinary & Duty Disabilities and Refunds.

It was moved by Trustee McFadden and seconded by Trustee Kravitz that the presented payroll, bills and recommendations for annuities, disabilities and refunds be approved.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Kravitz, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

2. Trustee Education

It was moved by Trustee McFadden and seconded by Trustee Balanoff, consistent with the recommendations of the Funds' professional staff and the Funds' counsel, that the expenses, including any associated travel expenses, incurred by any Trustee or Employee in attending the 4th Annual Emerging Managers Congress for Institutional Investors Conference on September 14-15, 2011, in Chicago, Illinois, at a program cost of \$195 per attendee be approved, provided that reimbursement shall be in and for amounts consistent with the Funds' Travel Expense Reimbursement Policy.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Kravitz, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Balanoff, consistent with the recommendations of the Funds' professional staff and the Funds' counsel, that the expenses, including any associated travel expenses, incurred by any Trustee or Employee in attending the Roundtable for Consultants and Institutional Investors on October 17-19, 2011, in Chicago, Illinois, at a program cost of \$199 per attendee be approved, provided that reimbursement shall be in and for amounts consistent with the Funds' Travel Expense Reimbursement Policy.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Kravitz, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Balanoff, consistent with the recommendations of the Fund's professional staff and the Funds' counsel, that the expenses, including any associated travel expenses, incurred by any Trustee or Employee in attending the Callan College Regional Breakfast Workshop regarding Fixed Income on October 26, 2011, in Chicago, Illinois, which requires no registration fee for Callan clients, be approved provided that reimbursement shall be in and for amounts consistent with the Funds' Travel Expense Reimbursement Policy.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Kravitz, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

3. Investments

a. Consideration of August 9, 2011, Emerging Manager Investment Committee Recommendations

It was moved by Trustee Balanoff and seconded by Trustee Benjamin that the Board approve the recommendation of the Emerging Manager Investment Committee to implement the recommendation made by Fund Investment Staff and the Investment Consultant at the Emerging Manager Investment Committee Meeting on August 9, 2011, to increase the overall allocation to Progress Investment Management consistent with the Investment Structure previously approved by the Board and it is further moved that the Funds' Investment Staff be authorized to take all action reasonably necessary to implement the foregoing.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Kravitz, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Kravitz and seconded by Trustee Balanoff that the Board approve the recommendation of the Emerging Manager Investment Committee to implement the recommendation made by Fund Investment Staff and the Investment Consultant at the Emerging Manager Investment Committee Meeting on August 9, 2011, to graduate New Century Advisors from the Rising Opportunities fund to a direct mandate consistent with the objectives and policies of the Funds' Emerging Manager of Manager Program and it is further moved that the Funds' Investment Staff be authorized to take all action reasonably necessary to implement the foregoing.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Kravitz, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Kravitz and seconded by Trustee Balanoff that the Board approve the recommendation of the Emerging Manager Investment Committee to implement the recommendation made by Fund Investment Staff and the Investment Consultant at the Emerging Manager Investment Committee Meeting on August 9, 2011, to fund the New Core Plus mandate with 8% of the fixed income asset class to take effect as part of the rebalancing efforts by the Fund subject to satisfactory completion of final due diligence and successful contract negotiations. It is further moved that the Funds' Investment Staff be authorized to take all action reasonably necessary to effectuate the foregoing, including subject to legal review and sign off, the execution and delivery of any related written agreements by the Executive Director.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Kravitz, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

b. Performance Review.

4. Consideration of August 11, 2011 Health Benefits Review Committee Recommendations

It was moved by Trustee McFadden and seconded by Trustee Agnes that the Board approve the recommendation of the Health Benefits Committee made at their meeting on August 11, 2011, to combine the HMOI and Classic HMO networks into one Classic HMO Network and that the Fund offer its members the BCBSIL Blue Advantage Network. It is further moved that the Funds' staff be authorized to take all action reasonably necessary to effectuate the foregoing, including subject to legal review and sign off, the execution and delivery of any related written agreements by the Executive Director.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

It was moved by Trustee McFadden and seconded by Trustee Agnes that the Board approve the recommendation of the Health Benefits Committee to increase the members' copayments on retail and mail order prescription drug purchases in the amounts as presented at the meeting on August 11, 2011, and it is further moved that the Funds' staff be authorized to take all action reasonably necessary to effectuate the foregoing, including subject to legal review and sign off, the execution and delivery of any related written agreements by the Executive Director.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

It was moved by Trustee McFadden and seconded by Trustee Agnes that the Board approve the recommendation of the Health Benefits Committee to reallocate the cost of the premium shared between the Funds and the members as proposed at the meeting on August 11, 2011, for the Annuitant Non-Medicare Medical benefit and it is further moved that the Funds' staff be authorized to take all action reasonably necessary to effectuate the foregoing, including subject to legal review and sign off, the execution and delivery of any related written agreements by the Executive Director.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

It was moved by Trustee McFadden and seconded by Trustee Agnes that the Board approve the recommendation of the Health Benefits Committee to reallocate the cost of the premium shared between the Funds and the members as proposed at the meeting on August 11, 2011, for the Survivor Non-Medicare Medical benefit and it is further moved that the Funds' staff be authorized to take

all action reasonably necessary to effectuate the foregoing, including subject to legal review and sign off, the execution and delivery of any related written agreements by the Executive Director.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

5. Umbrella Insurance Requirement

It was moved by Trustee McFadden and seconded by Trustee Kravitz that the Funds accept the proposal made by Hartford Casualty Insurance Company to provide \$5,000,000 umbrella coverage at a premium of \$1,645 for the period to commence on September 1, 2011, through May 18, 2012, and it is further moved that the Fund's Executive Director and Staff be authorized to take all action reasonably necessary to effectuate the foregoing.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Kravitz, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

6. Old Business/New Business.

The Trustees discussed furlough days as they relate to the Funds and the impact of unpaid holidays on the members.

7. Adjournment

After consideration of all other items of business, it was moved and seconded that the meeting be adjourned.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

The Board's next regular meeting is scheduled for OCTOBER 6, 2011.